



# NORTHERN CALIFORNIA INDIAN DEVELOPMENT COUNCIL, INC.

SERVING THE AMERICAN INDIAN PEOPLE OF CALIFORNIA SINCE 1976

September 15, 2011

Francelle Phillips  
CCHE  
900 N Street, Room 380  
Sacramento, CA 95814

EXECUTIVE DIRECTOR  
*Terry L. Coltra*

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Council Member

Dear Ms. Phillips;

The Northern California Indian Development Council, Inc. would like to request a twelve-month extension of our grant for the Carson Block Project, extending the project end date to December 31, 2012.

Our request is necessary as a result of the overall economic situation and the issues surrounding the State's 2011/2012 budget. Due to the impact of AB 26 & AB 27 on the City of Eureka's redevelopment agency, our original source of match funding, we have been unable to progress at the pace we anticipated. The City of Eureka is still committed to supporting this project but is limited in their ability to help at this time.

Knowing that the City's situation will probably not change in the immediate future, we continue to seek funding and have submitted a grant proposal to the USDA for \$500,000, which would be used as match for the project. There are no restrictions on these funds for use on the Carson Block and Ingomar Theater project. The USDA grant also requires a match but the CCHE funding meets the criteria and puts us well over the required match. This grant proposal was written specifically to support the Round Two CCHE grant. There has been no information on the status of our request to date.

Additionally, we have submitted a request to the California Endowment for a program they call "Program Related Investments". This opportunity is designed

to aid non-profit organizations that provide health and human services, with capital improvements needs funding. They are focusing on organizations that contribute to their 10-year Building Healthy Communities campaign. Del Norte County and the adjacent Yurok Tribal lands are one of the communities' funded under this project. The NCIDC works with the Yurok Tribe as well as Smith River Rancheria, Resighini Rancheria, Elk Valley Rancheria and our Indian Education Program, all of which are located in Del Norte County. As such, we fit the criteria and will submit a proposal before the September CCHE board meeting.

In addition to the above-mentioned potential sources of funding we have been researching the viability of New Market Tax credits. We have had conversations with several Community Development Financial Institutions who have New Market tax credit allocations. We are prime candidates for the New Market program because of the project and the fact that we are located in a non-metropolitan county and we work with a minority population.

Similarly, we have explored Historic Tax Credits and with the completion of the Historic Structures Report (available at the September CCHE Board meeting) we are nicely positioned to move forward with this as an alternative funding source. New Market Tax Credits are more immediately available but the Historic tax credits will contribute to the overall financing of the project.

This extension will give us the opportunity to solidify all the prospective funding sources we have been working on and it will allow us to continue to work toward other options. It is important to note that this project has not been dormant. NCIDC has contributed through matching funds and our own resources a little more \$293,000.00. We have also contributed to the project in ways that are not reflected in CCHE because the tasks don't necessarily fit the B-1 tasks but are critical to the continuation of the project.

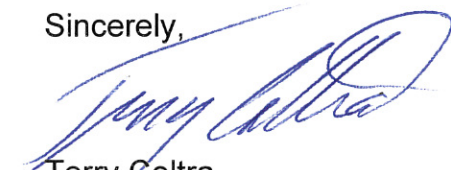
The project is moving along albeit with some starts and stops along the way. The last required element that the city requested for permitting is now available (asbestos testing and abatement plan). That was a set back that took time and money to complete. In

addition, an unplanned expense came about due to the January 2010 earthquake. The City of Eureka is now requiring that the project follow the current building codes, which are more stringent and as a result the project engineer reworked the seismic design to fit the required codes. This has taken many months to complete, as they had to re-engineer to meeting the updated codes. It has been challenging but not insurmountable and we have moved forward with the plan development process. The Historic Structure Report was not a part of the original plan but as we progressed through the planning phases we realized the importance of having the report to guide us through planning and construction so that the historic characteristics of the building are preserved and protected. And as mentioned above it will contribute greatly to funding the project.

Included is a revised Exhibit B – Scope of Work - Exhibit B-1 Work Plan, which outlines the changes in the schedule of work and funding sources. To assure that we are making progress, we have divided the pre-construction and construction tasks into phases on the Work Plan. The first phase entails the initial tasks of the seismic retrofit that can be completed with the resources available at this time. Due to the City's requirements, asbestos/lead testing was completed. Part of this phase includes hiring a contractor to mitigate the asbestos/lead in the roofing diaphragm, which will satisfy the final requirements of the City's permitting process and is noted on Exhibit B – Scope of Work: Pre-construction Phase 1A.

We are determined and confident that this project will be completed by the revised date because we are investing all our energy into exploring every possible source no matter how remote. Should you need clarification or have questions please do not hesitate to call Kathie Hamilton Gentry or me at the number below. We appreciate all the support you have given to this project.

Sincerely,



Terry Coltra  
Executive Director